

RESOLUTION NO. 75083

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSÉ APPROVING A CHANGE IN THE UNIT AFFORDABILITY MIX AND FORGIVENESS OF ACCRUED INTEREST FOR THE KINGS CROSSING APARTMENTS AFFORDABLE HOUSING PROJECT

WHEREAS, on March 18, 2008 the Council of the City of San José (“City”) approved a funding commitment of up to \$5,315,000 of 20% funds and \$5,250,000 of HOME funds to Charities Housing Development Corporation (“Charities”), for the development of the 94-unit Kings Crossing Apartments, an affordable rental housing project located on a 1.22-acre portion of the new 25-acre master-planned Newbury Park community (“Project”); and

WHEREAS, on April 21, 2009, the City disbursed \$5,314,320 for the Project’s acquisition loan closing and an additional \$1,485,571 has been disbursed for predevelopment expenses; and

WHEREAS, the City desires to approve a change in the affordability mix to allow the Project to preserve 25 project-based Section 8 certificates obtained from the Housing Authority of Santa Clara County that will result in an increase in the maximum household income level, from 45% of Area Median Income (“AMI”) to 50% AMI, for 25 units in the Project; and

WHEREAS, the City also desires to forgive up to \$475,000 in accrued interest on the City’s acquisition/predevelopment loan to allow Charities to apply for tax-exempt bond financing from the State of California.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSÉ THAT:

1. A change in the affordability mix for the Kings Crossing Apartments, a 94-unit affordable rental housing complex being developed by Charities Housing Development Corporation, or its designated affiliate, to be made available to extremely low and very low income households, with 92 units affordable to households with incomes at or below 50% of Area Median Income and 2 unrestricted managers' units, as more specifically set forth in the Director of Housing's report dated July 20, 2009, is hereby approved.
2. The forgiveness of up to \$475,000 in accrued interest on the City's acquisition/predevelopment loan, as more specifically set forth in the Director of Housing's report dated July 20, 2009, is hereby approved.

ADOPTED this 11th day of August, 2009, by the following vote:

AYES: CAMPOS, CHIRCO, CHU, CONSTANT, HERRERA,
KALRA, LICCARDO, NGUYEN, PYLE; REED.

NOES: OLIVERIO.

ABSENT: NONE.

DISQUALIFIED: NONE.

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk